

JAIPRAKASH ASSOCIATES LIMITED

Registered Office : Sector 128, Noida – 201 304, U.P. (India)
Head Office : 'JA House', 63, Basant Lok, Vasant Vihar, New Delhi - 110 057



NOTICE

To
The Members,

Notice is hereby given that the following Resolutions are circulated herewith for approval of the Members of the Company to be accorded by **Postal Ballot** in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001:

To consider and if thought fit, **to give assent/dissent** to the following Resolutions:

As Special Resolutions:

1. Sub Division of Shares

“RESOLVED THAT pursuant to the provisions of Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”) including any statutory modification or re-enactment thereof for the time being in force and the provisions of Article 72 of the Articles of Association of the Company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the consent of the Company be and is hereby accorded that each Equity Share of the face value of Rs. 10/- of the Company be sub-divided into 5 Equity Shares of the face value of Rs.2/-each and consequently the existing Authorized Share Capital of the Company be sub-divided and re-classified as Rs. 10,600,000,000 (Rupees one thousand sixty crores only) divided into 515,00,00,000 Equity Shares of the nominal value of Rs.2/- each and 3,000,000 Preference Shares of Rs. 100/- each and that Clause V (being Capital Clause) of the Memorandum of Association of the Company be altered by substituting the following Clause V in lieu of the existing Clause :-

“V. The Authorized Share Capital of the Company is Rs. 10,600,000,000 (Rupees One Thousand Sixty Crores only) divided into 5,150,000,000 Equity Shares of Rs. 2/- each and 3,000,000 Preference Shares of Rs. 100/- each.”

“RESOLVED FURTHER THAT the existing Share Certificate(s) in relation to the issued Equity Share

capital held in physical form be cancelled and new share certificate(s) be issued in respect of the holdings of Equity Shares of the members of the Company consequent upon the sub-division of the Equity Shares as aforesaid subject to the provisions of the Companies (Issue of Share Certificates) Rules, 1960 and in the case of shares held in the dematerialized form, the number of sub-divided Equity Shares be credited to the respective beneficiary accounts of the shareholders in lieu of the existing credits representing the Equity Shares before sub-division with the respective Depository Participants.

“RESOLVED FURTHER THAT the Board of Directors (including any Committee of the Board constituted or hereinafter constituted) be and is hereby authorised to issue the new Share Certificates representing the sub-divided Equity Shares consequent to the sub-division of shares as aforesaid, if so decided, without seeking surrender of old share certificates, and /or credit the beneficiaries accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960 and the Articles of Association of the Company and to take all such decisions, actions and steps as may be necessary, consequential, usual and incidental to give effect to the aforesaid resolution.”

2. Investment in the Special Purpose Vehicle for Development of a Greenfield State-of-Art Sports Complex and related integrated support infrastructure including Townships and auxiliary facilities, in Joint Venture

“RESOLVED THAT pursuant to the provisions of **Section 372A** and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approvals of Financial Institutions and such other approvals as may be required, the Board of Directors of the Company be and is hereby authorized to make an investment of up to Rs.500 Crores (Rupees Five Hundred Crores only) by way of investment in the Equity Capital of / making loan(s) to / providing security or guarantee(s) for the loan(s) granted to an existing or a new company to be incorporated as a Joint Venture Company with JV

Partner(s) with such name as may be made available by the Registrar of Companies, Kanpur for development of a Greenfield State-of-Art Sports Complex and related integrated support infrastructure including Townships and auxiliary facilities in or around National Capital Region (NCR), notwithstanding the fact that the aggregate of the investments so far made, securities so far provided, loans/guarantees so far given by the Company along with the proposed investment may exceed 60% of the paid-up capital and free reserves of the Company or 100% of its free reserves, whichever is more.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, settle any question, difficulty or doubt that may arise in this regard and give such directions, as it may, in its absolute discretion, deem expedient, desirable and necessary including delegating all or any of the powers herein conferred to any Committee of Directors or Executive Chairman or any Whole-time Director or any Director(s) or any other Officer(s) of the Company, to give effect to this Resolution.”

As Ordinary Resolution:

3. Appointment and remuneration of Shri R K Singh as a Whole-time Director

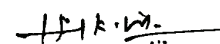
“**RESOLVED THAT** in accordance with the provisions of Sections 269, 198 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any Statutory amendment or re-enactment thereof, and subject to such other approvals, as may be necessary, approval of the Company be and is hereby accorded to the appointment of Shri R.K. Singh as a Whole-time Director of the Company for a period of five years commencing from 15th October, 2007 on such remuneration, as set out in the annexed Explanatory Statement.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of Shri R K Singh, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the limits specified in Schedule XIII to the Companies Act 1956, or any Statutory amendment or re-enactment thereof.”

“**RESOLVED FURTHER THAT** pursuant to all

applicable provisions of the Companies Act, 1956, the remuneration, as set out in the annexed Explanatory Statement, be paid as minimum remuneration to Shri R.K. Singh, in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment.”

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

President (Corporate) &
Company Secretary

Place : New Delhi

Dated : October 15, 2007

NOTES:

1. Explanatory Statement and reasons for the proposed special businesses above pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.
2. The Company has appointed Shri M L Arora, M.A.(Eco), LL.B., FCS, Practising Company Secretary as Scrutinizer and Shri Shiv Kumar Gupta, M.Com., LL.B., FCS, Practising Company Secretary as Alternate Scrutinizer for the purpose of Postal Ballot exercise.
3. The Notice is being sent under certificate of posting to all the Members whose names would appear in the Register of Members / Record of Depositories as on Friday, October 19, 2007.
4. A Member desiring to exercise vote by Postal Ballot may complete the enclosed Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by Registered Post at the expense of or deposited by the registered member will also be accepted. The envelopes containing the Postal Ballot should reach the Company not later than the close of working hours on **Thursday, November 22, 2007**.
5. The result of the Postal Ballot shall be announced by the Chairman, or in his absence by any other person, so authorized by the Chairman **on Saturday, November 24, 2007 at 4.00 P.M.** at the Registered Office of the Company **at Sector 128, Noida – 201304, U.P. (India)** and the resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman, if the result of the Postal Ballot indicates

that the requisite majority of the Shareholders had assented to the Resolutions. Members who wish to be present at the venue at the time of declaration of the result are welcome to do so. The result of the Postal Ballot shall also be announced through a newspaper advertisement and on the website of the Company www.jalindia.com.

6. A copy of all the documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. and 1.00 P.M. up to the date of declaration of the results of Postal Ballots.
7. Members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTIONS ACCOMPANYING THE NOTICE DATED OCTOBER 15, 2007 PURSUANT TO SECTION 173(2) READ WITH SECTION 192A(2) OF THE COMPANIES ACT, 1956:

Item No.1

The Company's shares are listed and are actively traded on National Stock Exchange and Bombay Stock Exchange.

The Equity Capital of the Company as on 15th October, 2007, is divided into 22,08,40,887 Equity Shares of Rs.10 each.

The equity shares of the Company are being currently quoted on the Stock Exchanges at around Rs. 1,250 per share. As per the present shareholding pattern, 47.28% Equity is held by the Promoters, 39.10% by the FIIs, FIs & Mutual Funds etc. and the balance 13.62% by the public at large.

In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, it is proposed to sub-divide the nominal value of the Equity Shares from the present Rs.10/- to Rs.2/- per share, as detailed in the resolution.

None of the Directors of the Company is in any way concerned or interested in the Resolution except to the extent of sub-divided Equity Shares to be issued to them in lieu of their holding of Equity Shares of the face value of Rs.10/- each.

Your Directors commend the resolution for your approval as a Special Resolution.

Item No. 2

In the present day economic scenario where India is surging ahead with robust plans for social, industrial and infrastructural development, the development of world class sports facilities have gained special focus of all concerned.

With a view to tap the emerging opportunities in this area, the Company is planning to enter into the business of developing a Greenfield state-of-art Sports Complex including car race track suitable for Formula One race with related integrated support infrastructure including Township(s) and auxiliary facilities.

The proposed venture would be undertaken through a Joint Venture Company on the internationally acclaimed tourism and entertainment axis of NCR and would be in the interest of the Company.

The preliminary estimate of the Project cost is approximately Rs.1500 crores which would be funded through Equity and Debt. The required contribution of the Company by way of investment in equity capital/loans etc. to the extent of Rs.500 Crores, in a phased manner, shall be funded from internal resources.

As per the proposal, while JV Partner and associates would hold 13%, upto 87% of the equity capital of the JV Company would be initially held by your Company & its associates.

The proposed investment would attract provisions of Section 372A of the Companies Act, 1956, inter-alia requiring approval of the shareholders by way of Special Resolution.

Accordingly, the proposal is being placed for your approval for the Company making investment in the equity shares of / providing loans to / providing security or guarantee for the loans to the proposed Joint Venture Company, as aforesaid, notwithstanding the fact that such investment/ loan/ security/guarantee may exceed the percentages prescribed under Section 372A of the Act.

None of the Directors of the Company, except those who might be nominated to be the joint subscribers/Directors of the proposed Joint Venture Company, is in any way concerned or interested in the Resolution.

Your Directors commend the resolution for your approval as a Special Resolution.

Item No. 3

As you are aware, the Company has undertaken substantial expansion/diversification of its business including

expansion of its Cement manufacturing capacity at various locations which include setting up of green field projects. With a view to strengthening the management team to ensure successful completion of the proposed expansions and to operate them with international standards of efficiency & productivity, the Board of Directors of the Company, at their meeting held on October 15, 2007, has appointed Shri R K Singh as Director in the casual vacancy caused due to the resignation of Shri Samir Gaur. At the same meeting, the Board also appointed Shri Singh as a Whole-time Director for a period of five years commencing from 15th October, 2007, on the remuneration to be approved by the Remuneration Committee.

The Remuneration Committee in its meeting held on 15th October, 2007, has fixed the following remuneration for Shri R K Singh :

Basic Salary – Rs. 1,50,000/- p.m.

(in the Pay Scale of Rs. 1,50,000-15,000-2,25,000-20,000-3,25,000/-)

Besides the above salary, Shri Singh shall also be entitled to perquisites, which may include accommodation/ HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, super-annuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc. Perquisites shall be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule

XIII to the Companies Act, 1956 as amended from time to time, whichever is less.

The Executive Chairman has been authorized to fix the inter-se limits of the aforesaid perquisites.

The above remuneration shall be paid as minimum remuneration in the event of absence or inadequacy of profits in any year during the tenure of Shri R. K. Singh.

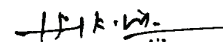
Shri R. K. Singh, aged 62 years, is a Science Graduate from Agra University and Bachelor of Engineering (Hons.) in Civil Engineering from University of Roorkee securing top position. Shri Singh has rich and varied experience of over 38 years to his credit. He had held various key positions including Member, Public Enterprises Selection Board, Chairman, Railway Board (Ex-Officio Principal Secretary to Government of India), Chairman, RITES Ltd., IRCON International Ltd. & RAIL Vikas Nigam Ltd.

Your Directors feel that his appointment as whole-time Director shall be in the interest of the Company.

No Director except Shri R.K. Singh himself is deemed to be interested in the said resolution.

Your Directors commend the resolution for your approval..

By Order of the Board
For Jaiprakash Associates Limited



(HARISH K. VAID)

President (Corporate) &
Company Secretary

Place : New Delhi

Dated : October 15, 2007